



# Atlas Insight

February 2011

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## The Key Challenge Is To Compete With Efficient Ports In The World



*An interview with Mr. Venkatesh Roa which is published in Project Monitor , 14th Feb, 2011*

**Only 8 per cent of India's current 1,800 million sq. ft of warehousing space is owned and operated by organised players. Do you see this share increasing in next 10 years?**

There is ample opportunity for organised players. There is a need for systematic maintenance of goods and products in

organised warehouses due to more emphasis on process, ERP systems, introduction of standards and certification like ISO and CMMI in all the companies, and cost-efficient measures.

**With the growth in logistics sector, India needs around 25-30 million sq. ft of additional warehousing space annually.**

Additional requirement of warehouse needs investment. Government's favourable FDI policy is attracting lot of investment in this space.

*Continued on page 7...*

## Editorial - Think Positive and Half the Battle is Won !!!

When someone asks "How Are You?" it makes a big difference the way you answer the question. If you say "Not so bad." you will have a lower energy level compared to saying "Good" and your mental will tell you that you do not feel so great after all. If you say "Good", mentally you feel better, but not as energetic as saying "Great" or "Life is beautiful" and by merely saying those words; you have created a sense of greatness that would make you feel better for the

whole day while influencing your other party to feel the same.

Same goes to being in a team whereby if you use positive words, you will encourage the team to try harder and perform better but once negative words are spoken; your team will believe it and will not expect to win. That is why thinking and saying positive from the start helps you win half the battle already. How people who thinks that they can win from the start, they either

get close to winning or they try harder and feel like they have achieved more even though they did not win. Do not point fingers and blame all problems on others.

***Things can always work even with mistakes as long as the majority concentrate on the goals and objectives.***

***Being positive, half the battle is won. The next half is just to make the things happen and strive towards your goals.***

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## Maritime Agenda proposes SPV model for global port operations

The Ministry of Shipping (MoS) is planning to set up a new special purpose vehicle (SPV), Indian Ports Global (IP Global), for investing in port operations worldwide. The SPV may be modelled on Singapore's Port of Singapore Authority (PSA) and Dubai Ports' DP World.

The country must also float a SPV for making investments in ports abroad and become a truly global power in port sector worldwide, MoS has proposed in its Maritime Agenda 2010-20 released recently.

Citing example of similar initiatives by other countries, MoS stated, Port of Singapore Authority has spread its wings in different parts of the world by an instrument called PSA International.

Similarly, Dubai Ports too has spread its wings internationally by the consolidated company viz., DP World. Likewise, some ports in Europe too made their presence in the rest of the world.

Building a case for the proposal, the Agenda said, "In the era of globalisation, infrastructure sec-

tors all over the world have gone global in the form of acquisitions, equity stakes in companies abroad, commissioning of greenfield projects and partnering with companies abroad by the way of joint ventures."

MoS also wanted a specialised Maritime Finance Corporation to be created.

"It is quite desirable to float a specialised Maritime Finance Corporation with the equity of ports and financial institutions to fund the port projects," MoS averred.



Indicating that the cash reserves of ports can be utilised for the purpose, the report pointed out that several gateway facilities have considerable cash reserves which were deposited in banks because of induction of public-private partnership (PPP) projects in the sector. These deposits yield low returns. On the other hand, a good maritime project, if appraised properly, might yield good returns, the Agenda said.

## New Procedure For Transshipment at Airport

The Union government has directed the Customs Department to permit transfer of despatches from one flight to other 'tail-to-tail' or at parking bays.

This has been done to expedite the movement of foreign cargoes in transit through imports.

At present, all cargoes, to be transhipped through Indian airports, are first despatched to warehouses for inspection. The move will help 'pre-sorted' (which do not need to be segregated) foreign-to-foreign cargoes.

In a communiqué to the Customs Department, the Revenue Department said that a decision had been taken on global-transhipped cargoes, for the pre-sorted containers wherein cargo does not require segregation.

The time-saving facility would be carried out "under preventive supervision on payment of merchant overtime fee and observance of cargo-transfer-manifest procedure," the communiqué said.

## New International Cargo Airport Near Delhi

An international cargo airport would be set up in Haryana territory falling in the national capital region (NCR) of New Delhi, Haryana.

Chief Minister Bhupinder Singh Hooda said 3,000 acres of land has been identified for the project at Bhaini Maharajpur and Bhaini Bhairon villages near Delhi.

Hooda said the Airports Authority of India (AAI) has conducted the site survey and given the go-ahead for the project.

'The application has been filed with the union ministry of civil aviation for formal approval of the project,' Hooda said in a statement here.

## Indian Ports Cross 1 bn Tonne Cargo Handling Capacity

Press Trust of India / New Delhi January 28, 2011, 15:15 IST

The government today said that the Indian port sector has crossed one billion tonne cargo handling capacity with inauguration of three major projects at Ennore Port.

"The capacity of Indian Port Sector has reached to 1011 million tonnes per year," Shipping Minister G K Vasani said while inaugurating three major projects with a total capacity of 15 million tonnes per annum (MTPA) at Ennore Port.

The projects include a coal terminal, an iron ore terminal and a car terminal, an official statement said here.

The ports' capacity was recorded at 617 MTPA on March 31, 2010. Earlier this month the government unveiled a new policy for the Shipping sector that entails an investment of Rs 5 lakh crore by 2020 to take the ports capacity to 3,200 MT and bring in major reforms in the space.

Out of the Rs 5 lakh crore investment proposed in the sector, Rs 3 lakh crore would be

in the port sector, while the remaining Rs 2 lakh crore will be infused in the Shipping sector.

The present Rs 1.39 lakh crore National Maritime Development Project (NMDP) plan which was to expire on March 31, 2012 will be replaced with the new agenda and include its remaining projects.

Of the 276 projects identified under the NMDP through public-private-partnership (PPP) mode, the government plans to award 21 projects worth Rs 13,952 crore projects in the current fiscal. Six such projects to augment the



capacity of 13 major ports have already been awarded.

India at present has 13 major ports - Mumbai, Jawaharlal Nehru Port Trust, Kolkata (with Haldia), Chennai, Visakhapatnam, Cochin, Paradip, New Mangalore, Marmagao, Ennore, Tuticorin, Kandla and Port Blair under the control of Centre while has about 200 non major ports operated by states and private parties.

## Port Set For Major Makeover

The Union Ministry of Shipping said that projects worth Rs 10,000 crore will be taken at the Chennai Port in different stages.

The proposed investments includes connectivity projects, container terminal and others. After laying foundation stone for the Rs 600 crore Chennai port Ennore road connectivity project, G K Vasani, Union Minister for Shipping,

Government of India said that 29 projects, with an outlay of Rs 10,000 crore will be taken at the Chennai Port in various stages.

"Most of these investments, will come from private players," said the Minister. These projects include new mega container terminal, RO-RO terminal and others.

The Minister said, once the projects are

completed, Port's capacity will be increased to 140 million tonnes, in the next ten years, from the current 61 million tonnes. Commenting about the EMRIP project, the minister said, the project will be completed in the next two years.

Of the total project cost Rs 250 crore will be contributed by National Highways Authority of India (NHAI), Rs 250 crore by Chennai Port Trust, Rs 58.20 crore by Tamil Nadu

government and rest by Ennore Port Ltd. A SPV has been floated to execute the project, said the Minister.

The Ennore Manali Road Improvement Project (EMRIP), which was conceived in 1998 and has been under implementation for the last 10 years. The project envisages improvement of 30 kms road network in north Chennai which connects all the container freight station (CFS).

## Vallarpadam International Container Transshipment Terminal

India's first international container transshipment terminal (ICTT) in Kochi designed to handle the largest container ships has been dedicated to the nation by Prime Minister Dr. Manmohan Singh today. The country's first global hub terminal, the ICTT is in strategic proximity to international sea routes.



The ICTT has been built by Dubai Ports World (DP World) on a build-operate-and-transfer (BOT) basis. DP World has invested Rs 1,600 Crore in the project while the Union government, through the Cochin Port Trust, has invested an equal amount by way of bringing road and rail connectivity to the project.



Describing the project as a 'long awaited milestone' in the development of the country's logistics infrastructure, Prime minister said "it is a symbol of how public-private partnership can contribute to public good".



Dr Manmohan, who had laid the foundation stone for the project in February 2005, said: "I am delighted to see how well this state-of-the-art terminal has come up."

The absence of a global hub port and lack of transshipment facilities had put the country's trade at a disadvantage, he said.



Noting that about 60 per cent of India's export and import containers were transshipped through outside ports like Singapore and Colombo, he said it cost an addi-

tional expenditure of \$300 per container and an extra 7-10 days of transit time.

With the new facility located at the Special Economic Zone at Vallarpadam Island, Indian exporters can now access mainline container vessels calling at one of the most well located ports of India.

The construction of the terminal is the centre piece of a comprehensive plan to develop Kochi as an economic and logistical hub of the region, the Prime Minister said.

The project area has been declared as SEZ with a road link to connect Val-



larpadam with two national highways, besides a 8.5-km rail link connecting the terminal to the railway network.

The navigation channels were being deepened which a challenging task



involving the removal of nearly 26 million cubic meters of soil, Dr Manmohan said.

Stressing the need to vastly increase the use of fuel-efficient, environment friendly and safe modes of transport such as inland waterways, he said this mode of transportation was very suitable for bulk, containerized and hazardous cargo as is the case world-

### **THOUGHT FOR THE MONTH**

#### **SUCCESS IS A CHOICE YOU MAKE**

*Success or failure? It's always your choice. You alone have the responsibility to shape your life.*

*Once you understand this, nothing and no one can deny you success. There's really no one to stop you but yourself.*

*More powerful than all the success slogans ever written is the realization that everyone has but one boss. That boss is you.*

*Your life will always be to a large extent what you make of it. No one can cheat you out of ultimate success but you.*

*If you want to be successful, you can be successfu*

**Customer Testimony -Korea**

Dear Ms. Joo Hee Lee

A very special thanks to you for your commitment to come all the way to your office and to help us in preparing and sending the B/L despite your New Year Holidays.

Once again thank you so much and Wish you a Very Happy Korean New Year

regards

A V Sundar | Dy. General Manager - Supply Chain | Indu Projects Limited | 1009 | 13th Phase | KPHB Colony | Hyderabad | 500072 | 040 44780267 | +91 9701112455



Atlas Trivandrum have obtained Emirate sky cargo award for the year 2009-10 . "Congratulations Trivandrum Team"



**Atlas Logistics becomes WIN association member**

**BUSINESS DESK**

Bangladeshi logistics company Atlas Logistics Bangladesh (Pvt.) Ltd has become a member of WIN association, a worldwide independent network of logistics firms, headquartered at Geneva in Switzerland.

Atlas is the first Bangladeshi firm to win a membership of WIN association, said a press release.

The company became a member of WIN Association at its annual general

meeting held in Sydney on January 11-13.

A total of 358 representatives from the different parts of the world took part in the WIN conference along with 72 permanent members, the statement added.

Rinku Barua (Kollol), managing director of Atlas Logistics-Bangladesh Ltd attended the function as the representative of the company.

Rinku Barua expressed his hope that the achievement of Atlas will play a vital role in the development of local trade and business.

**Special Appreciation**

Customs clearance of 143 containers has been done by Kandla team.

Congratulations Mr. Prasad & Mr. Pravin



Managing Director of Atlas Logistics Bangladesh (Pvt.) Limited Rinku Barua (Kollol) poses for photograph at the world conference and annual general meeting of WIN association in Sydney recently. A total of 358 representatives from different parts of the world in addition to 72 permanent members took part in the conference, Atlas Logistics was unanimously elected member of the WIN association recently.



World Conference and annual general meeting of WIN association was held on January 11 at the Sobei Pier One in Sydney. Rinku Barua (Kollol), Managing Director of Atlas Logistics Bangladesh (Pvt.) Ltd, only member from Bangladesh attended the conference.

## Electronic Data Inter Change



*Electronic Data Inter-change brings in more transparency and visibility in logistics business, thereby bringing down unnecessary costs*

The **air cargo value chain** in India is characterized by lack of transparency and existence of legacy systems, which result in huge inefficiencies causing delays, penalties and lack of shipment visibility. In the most sophisticated transport value chain, air cargo, the same shipment data is entered at least six times by several constituents. This results in huge amount of paper generation and physical movement of paper-

based information between trade partners.

Communication technologies like **Electronic Data Interchange (EDI)** can help address these industry issues to bring in greater transparency, visibility and real-time tracking ability.

**EDI platform: Solution for Indian logistics community**

EDI technology evolved in the last few years and has now become a common platform for all industry entities and members. The principle of EDI in logistics is simple - "Data captured once in the supply chain shall not be re-entered by any supply chain partner."

**Features of EDI and benefits**

The features of EDI include standard templates, standard protocols for data interchange and access to statutory authorities. This Web-enabled enterprise application has drastically reduced communication costs and integration complexity. The real benefits of EDI are its ability to incorporate back office applications and legacy systems with the information received and sent from/to clients, generate operational efficiencies, lower costs and higher consumer satisfaction levels.

Each of the entities in the cargo community such as shippers/consignees, carriers, customs and freight forwarders realize the numerous benefits of EDI, some of which are as follows:

**EDI System features**

### EDI System features

- Single point data entry
- Shipment data can be shared by all entities electronically
- Receive online scheduled updates of status via SMS/e-mail
- Automated status inquiry and booking processes

### EDI System Benefits

- Facilitates cost savings, ensures reliability and ease of process monitoring & Minimal human intervention
- Facilitates transmission and storage of documents and e-payments-

*Continued on page no 7...*

*Atlas Insight wishes Happy Birthday to*

Angelo Sebastian – Goa (20<sup>th</sup> Feb)

Prakash V Dabara – Amd (21<sup>st</sup> Feb)

Ravi Kumar D – Blr (25<sup>th</sup> Feb)

Sangeetha A Dixit – Ngp (28<sup>th</sup> Feb)

Faisal V P – Ccj (3<sup>rd</sup> Mar)

Jiwan Kumar Pandita – Del (3<sup>rd</sup> Mar)

Sarika Vishal - Bdq (9<sup>th</sup> Mar)

N Mahesh – Blr (9<sup>th</sup> Mar)

Jitender Kumar – Del (9<sup>th</sup> Mar)

Kanhu Nayak – Del (10<sup>th</sup> Mar)

Sunil Kumar – Del (10<sup>th</sup> Mar)

Seema Y Sakpal – Mum (10<sup>th</sup> Mar)

G Boopathy – Maa (15<sup>th</sup> Mar)



**Continued from page 1...**

**Logistics infrastructure spend has tripled from \$10 billion in 2003 to an estimated \$30 billion this year. What kind of developments do you see in near future?**

The five-year plan has given a lot of thrust to infrastructure. This along with GDP growth has created a lot of growth opportunity in this space. Growth is expected to be sustained growth—it will ensure more handling of specialised cargo and door-to-door service

with entire outsourcing of logistics to capable logistic service providers.

**India's overall logistics market, including transportation and warehousing, is expected to scale up from \$75 billion in 2009 to \$120 billion by 2014.**

**What will be the main drivers leading to this increased growth?**

Consumption growth and GDP growth will be the key drivers. Saving and investment potential in India along

with conservative credit policy will be a shield against meltdowns, bankruptcy, and negative growth.

**What will be the key challenges facing the sector?**

The key challenge from India's perspective is to compete with efficient ports in the world. Technology-driven handling equipment and efficient transport systems without bottlenecks in infrastructure will be the key challenges.

**What is Atlas Logistics' long-term strategy?**

Atlas' long-term strategy is to be one of the reputed logistics and supply chain management companies in the world. Our long-term strategy includes organic and inorganic growth, so that we can have a significant presence in the entire spectrum of the industry. People, process and technology are the key focus areas, and timely benchmarking with international standards is our focus to provide best service to our customers.

**HEALTH TIPS****DRINK WATER ON EMPTY STOMACH**

It is popular in Japan today to drink water immediately after waking up every morning. Furthermore, scientific tests have proven its value. We publish below a description of use of water for our readers. For old and serious diseases as well as modern illnesses the water treatment had been found successful by a Japanese medical society as a 100% cure for the following diseases: Headache, body ache, heart system, arthritis, fast heart beat, epilepsy, excess fatness, bronchitis asthma, TB, meningitis, kidney and urine diseases, vomiting, gastritis, diarrhea, piles, diabetes, constipation, all eye diseases, womb, cancer menstrual disorders, ear, nose and throat diseases.

**Continued from Page 6...**

- Increased data security
- Reduced congestion at customs station
- Better connectivity with regulatory authorities involved in transportation and commerce, ensures E-governance
- Gain from reduced data transmission time from 3 weeks to 1 day

**EDI, journey so far in India**

Till the time the Internet was an expensive and proprietary technology in India, logistics companies were hardly exposed to automation, which meant EDI did not make much sense as logistics players were unable to produce the data sent to them by shippers or carriers. This is the predominant reason for non-adoption of EDI till late. However, the complete scenario is changed and one step now is also Airlines starting the Neutral Airway bills slowly all forwarding companies moving towards EDI and automating their systems to connect **Supply chain entities.**

**Abbas Khan**  
(Global Head-IT)